

A STUDY OF TRAINING HORIZON IN BANKS

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Abstract:

Banking sector is a knowledge based service industry and play significant role in the development process of the economy. There is an evolving need for acquiring and getting new skills and developing new competencies in this sector. In the present scenario this sector is facing various external challenges such as to cope with the enhanced customer expectations, deal with the market competitiveness and muddle through the changing banking rules, regulation and policy procedures. Along with that the internal challenges like generating team work, improving productivity and developing an efficient human force to perform in this era of competition.

The paper focuses on to find out the response of bank's employees towards training and to know that up to what extent these training programs enhanced their productivity and competitiveness. Beside this to analyze how training enables them to carry out their roles and responsibilities efficiently and learn new things, this will prepare them to take up higher responsibilities in the future to reach the new horizon in banking sector.

KEYWORDS:

Bank, Employees, Productivity, Training .

INTRODUCTION

The concept of training could be misleading if it is considered as an extension of the school or college education. Providing formal instructions to the employees may give a limited connotation or a narrow view of training. In fact, training is not constituted only to the formal or classroom aspect. Training is a continuous process of learning which helps the development and growth of an individual to the successful implementation of the policies of the organization. Training is regarded as an act of providing means for prospective learning as also an exposure to opportunities which are present.

The growing urbanization, increasing consumerism, rise in the standard of living & increase in financial services for people living in rural areas has increased the demand for wide range of financial products that has led to mutually beneficial growth to the banking sector and economic growth process. So there is a need to develop policies to cope with the recruitment of the banking sector. Training systems of banks to focus on creation of talent pool of officers in critical areas like Treasury, Corporate Credit, International Banking, Retail Banking, Social Banking, Technology, Risk Management, Marketing, Infrastructure Financing, Financial Inclusion etc. Internal certification of training programs to be introduced to build talent pool. Modern banking is getting increasingly complex and skill intensive, in the face of competition there is also an evolving need for acquiring and honing new skills and developing new competencies. According to the Report of the committee on HR issues of public sector banks June 2010 the Indian banking shifting gear from vanilla banking to multi-specialist banking, in tune with the trends of differentiation and specialization, the Committee feels that the gaps in many of the skills would need focused attention on the part of bank managements. Developing talent pool for different areas of skills will thus be the main agenda for the training systems of banks. Besides training and skill development, banks would now have to pay attention to continuing education of their employees, in the context of new developments. Banks must articulate and emphasize the core values to attract and retain certain customer

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segments. Values such as "sound", "reliable", "innovative", "international", "close", "socially responsible", "Indian", etc. need to be emphasized through concrete actions on the ground and it would be the bank's human resource that would deliver this.

Performance will significantly tell a lot about training. This does not only concern product training but also job orientation. Many employees out there do not know how they should perform because they do not know what is expected of them. Many employees break the rules because they are not also aware of them. Thus, evaluation of training would not only encourage accuracy, but also reduce any tendency of training program to deteriorate or deviate from its original purpose. The Table 1.1 gives the list of various banks and their products in India, which give them a lot of opportunities and challenges to handle. To grab these opportunities and to meet the environmental challenges, training is one of the most important strategies for banks to help employees gain proper knowledge and skills. Employees are entrusted different roles and responsibilities, and training will enable them to carryout these roles and responsibilities efficiently and also to learn new things, which will prepare them to take up higher responsibilities in the future. Some of the major players in the banking sector are:-

Table 1.1 Key Players in Indian Banking Industry and their products offering

<p>• Key Players</p> <ul style="list-style-type: none"> • State Bank Of India • Punjab National Bank • Canara Bank • Bank Of Baroda • Bank Of India • Union Bank Of India • IDBI • ICICI Bank • HDFC Bank • Axis Bank • J&K Bank • Federal Bank • Standard Chartered Bank • Citibank • HSBC • ABN Amro • Deutsche Bank • Bank Of America 	<p>Loan Type:</p> <ul style="list-style-type: none"> • Working Capital finance • Term Loan • Project Finance • Personal Loans • Home Loans • Vehicle & Personal Loan • Agriculture Loans <p>Deposit Type:</p> <ul style="list-style-type: none"> • Regular fixed Deposits • Recurring Deposits • Savings Account Deposit • Current Account Deposit <p>Other Services:</p> <ul style="list-style-type: none"> • Mutual fund and Insurance unit sales. • Wealth management. • Capital Market and Advisory services • Payment and remittance services 	<p>Borrower Type:</p> <ul style="list-style-type: none"> • Corporate • Large Corporate • SME • Retail • Agriculture <p>Investee Type:</p> <ul style="list-style-type: none"> • Government • Corporate • Financial Institution • Institutional Investor • Retail Investor
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Source-National Skill Development Corporation Report

REVIEW OF LITERATURE

“Journal of Banking, Information Technology and Management” vol.6 Dec (2009), the major challenges today include adopting technology which needs huge funding, managing the varieties of economy which create non-performing assets, introduction of accounting standards & higher provisioning requirements under Basel II, to enter the global arena, Indian commercial banks have to achieve a critical mass with superior technique & talented human assets.

“Influence of HRD climate on the learning orientation of bank employees” Indian journal of industrial relations (2008), a productive and supportive environment is essential for effective learning and development in organizations. This environment requires a culture of collaboration and team spirit, top management's commitment towards HRD initiatives and the effective implementation of various HRD subsystems.

A recent study by Sachdev (2007) concluded that trust, pride and camaraderie are the primary

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factors considered in 'Great Places to Work' by Indian employees. Most of the organizations rated as a great place to work recognize the aspirations of the employees and focus on their growth and development. This indicates that most of these organizations have got a reasonably good HRD climate

IBA Bulletin (2005) "During the last few years the Indian Banking system has witnessed some very high profile mergers, such as the merger of ICICI Ltd. with its banking arm ICICI Bank Ltd. the merger of Global Trust Bank with Oriental Bank of Commerce and more recently the merger of IDBI with its banking arm IDBI Bank Ltd".

S. Rammarayam, T.V. Rao & Kuldeep Singh (2004) "Organization Development: Interventions and Strategies". This edited volume provides a comprehensive account of the experience of applying the organization development process in India. Part one deals with the concepts and interventions of organizational development. Part Two discusses the Indian experience in the application of organization development in organizations ranging from public sector corporations to voluntary organizations. Part Three deals with contemporary and often unresolved issues confronting organization development consultants and practitioners -- including whether organization development is culture specific or universally applicable, and how organizational politics affect organization development interventions.

OBJECTIVE OF THE STUDY

The objective of the study is to identify the essence of training programs for bank employees to carryout their roles and responsibilities efficiently and learn new things. This will prepare them to take up higher responsibilities in the future to reach new horizons in banking sector. Beside that try to analyze the opinions of bank's employees towards these training programs which are conducted by the bank for its employees, to increase their productivity and competitiveness skills.

Hypothesis

The hypothesis of the study is as follows:-

Ho – Training programs in banks has not been able to increase the productivity, competitiveness and global adaptability of employees.

Ha - Training programs in banks has been able to increase the productivity, competitiveness and global adaptability of employees.

RESEARCH METHODOLOGY

The study is explanatory. It is based on the primary source of data and a structured questionnaire has designed to know the opinion of the employees towards the training programs conducted by the banks for increase their productivity, competitiveness and global adaptability of the employees in the external working environment. Questionnaire has filled by randomly selected 153 employees of the bank, as per secondary source is concerned information has gathered from review of annual reports, published articles, and books. Researcher has applied chi-square test to find out the training horizon in banks.

RATIONALE OF TRAINING IN BANKING SECTOR

The banking industry is one of the largest industries in India which is recognized not merely a means of financing economic activity but as a catalytic agent in the development process of the economy. The role assigned to the banks cannot be expected to be performed unless trained manpower can be a line of succession. Now banks had one of the most enlightened employees. They have not only recruited staff of very high quality but also specialists for various areas of operation. However in the context of the emerging trends, globalization, diversification, computerization and mechanization, banks will require more specialists staff which is turn requires more extensive and intensive training efforts in banks. The following suggestions may prove useful for improving the overall training system which is given by in the "Report of the committee on HR issues of PSBs" is as follow:-

Training colleges of individual banks to be upgraded as centers of excellence with mandate to carry out in-house research provide learning support to the management and are responsible for continuing education efforts.

Training strategy is to focus on the staffs who are working in rural areas and women employees and priority to be accorded for regular in-house training to rural staff.

E-learning and other alternate delivery channels for learning to be extensively used for training and learning.

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Linkage between the training and operations should be improved. The proper training need analysis and evaluation of effectiveness of training should be there and Focus to be to understand world class practices and changing requirements of customers.

The functional heads / business leaders should to be accountable for training and development of cadre of officers in their area.

Internal processes in training such as faculty selection process, training of faculty, introduction of core faculty in some key areas of management, top management support, etc. to be improved.

The training of newly recruited officers should be strengthened and re-vitalized. Two years' training should be made mandatory for these officers to provide systematic exposure to all aspects of banking. During training period, they should not be posted in regular jobs. Mentoring of newly recruited officers can be entrusted to recently retired executives, say in the last 5 years.

Role related training to be made compulsory for all executives in Scale IV and above. Objective is to develop leadership, decision making, risk management skills, etc. The Leadership training is to be preceding the posting to senior levels, after the promotion decision is taken.

External and overseas training should be aligned to a clearly laid down talent management strategy.

Every bank has to develop a training policy. Policy should be including mechanisms for ensuring that training inputs are properly used.

Now marching towards business diversification the quality of human resources indicates the ability of banks to deliver value to its customers. Given suggestions may prove useful for improving the overall training system in banks and with the help of training they developed man and increase their productivity.

DATA ANALYSIS AND INTERPRETATION

The data collected is to be analyzed in accordance with the outline laid down in the research plan. For the purpose of evaluating training programs structured questionnaire is design for the participants of the various training programs. Questionnaire is used to collect primary data from randomly selected 153 employees of banks. For analysis data is edited, coded, classified and transformed into tabular form.

Table 1.2 Effectiveness of Training Programmes in Banks

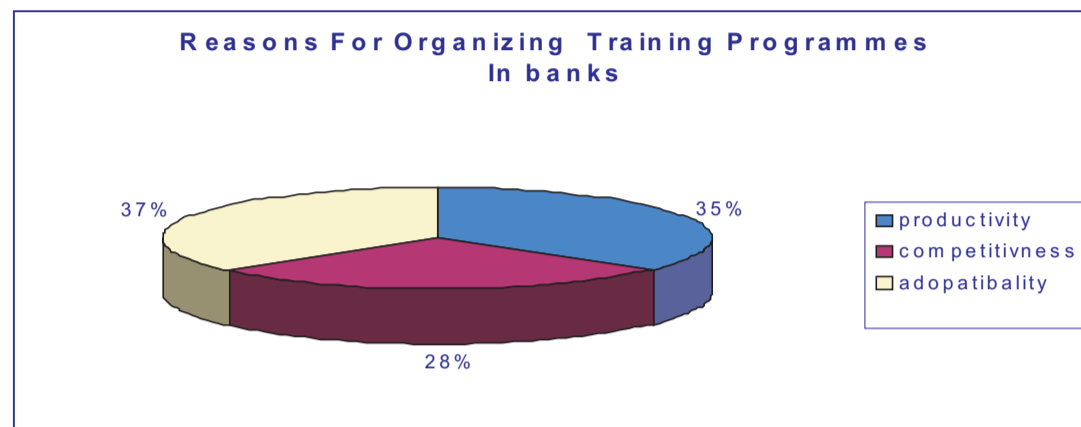
Aspects	(Value in percent)		
	Agree	Disagree	Not reply
Enhancing productivity at job	86.27	13.73	0
Increase employees competitiveness	68.63	25.49	5.88
Increase the global adaptability in the external environment	88.24	11.76	0

The Table 1.2 shows that 73% of the respondents are males and 27% are females of the total respondents. It is clearly visible from the above table that 86.27% of the respondents are agree that the present system of training is beneficial for the employees to Enhancing there productivity at job.

68.63 % respondents are agreeing that the training programmes are capable to increase the employee's competitiveness skills to cope the competitor. And 88.24% respondents are agreeing that the present system of training also increase the global adaptability of the employees to face the external environment challenges.

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Figure 1.1 Reasons for Organizing Training Programs in Banks



The Figure 1.1 shows that reasons of organizing training programs in banks. Now training programs in banks play important role to increase the employee's productivity, competitiveness and global adaptability in the external environment. The above figure shows the ratio of increase the employee's productivity by 35%, 28% competitiveness and global adaptability by 37% respectively.

Application of chi-square test

Table 1.3 Chi-Square Analysis

Level of significance 5%

Degree of freedom 2

Aspects	Calculated Value	Critical Value	Results H ₀ is
Enhancing productivity	197.29	5.99	rejected
Increase employees Competitiveness	94.58	5.99	rejected
Increase the Global adaptability	210.70	5.99	rejected

The Table 1.3 shows the calculated value of chi square which is greater than the critical value of chi (5.99) in all the aspects, the null hypotheses is rejected in all the above three aspects and the alternative hypotheses is accepted.

CONCLUSION

This paper has explored the importance of training programs at Bank, as well as the opinions of bank's employees towards the training which enables them to carry out their roles and responsibilities efficiently and also helpful to learn new things. This will also help to prepare them to take up higher responsibilities in the future to reach the new horizons in banking sector. The researcher has applied Chi-square test on the data and the result shows that the calculated value of χ^2 is greater than the critical value of χ^2 (5.99) in all the three aspects. In this study, the null hypotheses is rejected and the alternative hypotheses is accepted which shows that training programmes in banks has been able to increase the productivity, competitiveness of the employees and it also increases the global adaptability of the employees. Thus it can be concluded that the most of the respondent are agreed with the role of training programs. They feel these programs will prepare them to take up higher responsibilities in the future to reach the new horizon in banking sector

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